GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2190
ANSWERED ON:30.11.2007
MICRO CREDIT REQUIREMENT
Vallabbhaneni Shri Balashowry

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has assessed Micro Credit need in the country;

(b) if so, the details thereof;

(c) whether the credit being given now is only about 11,000 crores; and

(d) if so, the facts thereof and the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : There have been various estimates based on various assumptions. The Task Force on Supportive Policy and Regulatory Framework for Micro Finance set up by NABARD in 1999 had put the requirement for microcredit at Rs. 15,000 crore to Rs. 50,000 crore per year and an additional Rs. 1,000 crore for housing requirements of the poor. This estimate is, however, only a rough approximation of the demand for microfinance and is not based on any detailed survey of the clients for microfinance.

(c) & (d) : The Self Help Group (SHG) Bank Linkage Programme, being facilitated by NABARD, is the Flagship Micro Finance programme in the country. During 2006-07, 6.86 lakh SHGs were credit linked to the banking system comprising commercial banks, cooperative banks and regional rural banks with bank loan of Rs 6,643.19 crore. On a cumulative basis, as on 31 March 2007, 29.24 lakh SHGs had been credit linked, to the banking system, involving bank loan of Rs 18,040.74 crore.